



State of Utah

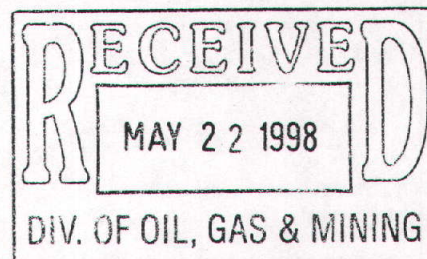
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

*M/053/005
Minerals file*

May 18, 1998



FEDERAL EXPRESS OVERNIGHT MAIL

Tracking #: 1557169806

LETTERS OF CREDIT

Mike Dobyan
International Services
US Bank National Association
918 Seventeenth Street, CNBB 0540
Denver, Colorado 80202

MAY 19 1998

U.S. Bank
Int'l Dept.
Denver, Colorado

Re: Letters of Credit, and USMX of Utah (Dakota Mining), Goldstrike Mine, M/053/005, Washington County, Utah

Dear Mr. Dobyan:

Enclosed are original signed copies of Exhibit A and Exhibit B for two Irrevocable Letters of Credit (ILOC) made jointly payable to the Utah State Division of Oil, Gas and Mining and the U.S. Department of the Interior, Bureau of Land Management (BLM) to insure final reclamation of USMX of Utah, Inc.'s Goldstrike Mine. Letter of Credit # [redacted] was initially issued on June 8, 1993. The most recent amendment to this Letter of Credit (October 27, 1997) reduced the amount to \$129,200.00. Letter of Credit # [redacted] was initially issued on June 8, 1993. The most recent amendment to this Letter of Credit (August 2, 1996) reduced the amount to \$69,300.00.

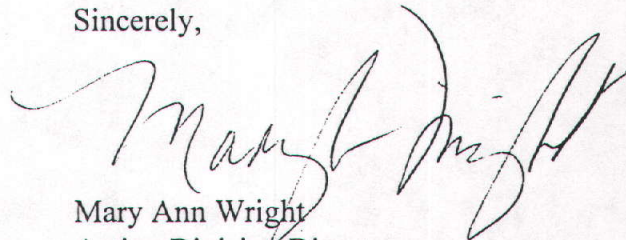
This Division, the BLM and USMX of Utah, Inc. have agreed upon a surety forfeiture agreement (copy attached) authorizing the Division to cash the ILOC's so that the funds may be used to complete the reclamation of the Goldstrike Mine. A telefaxed copy of a letter from the BLM authorizing the cashing of the ILOC's is also attached. The BLM will forward the original copy of their letter to your office by U.S. Mail.

Because time is of critical importance in this matter, we request that you please cut a cashier's check for the balance of the ILOC's and forward it to our office by overnight courier. Please use a Federal Express air mailing service and bill our FedEx account number ~~1047-2370-5~~. The BLM has authorized us to hold and manage the funds on their behalf.

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Mike Dobyan
USMX ILOC
M/053/005
May 18, 1998

If you have questions or require additional information from the Division, please contact me or D. Wayne Hedberg at (801) 538-5306, and 538-5286 respectively. Thank you for your assistance in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Wright", written over a horizontal line.

Mary Ann Wright
Acting Division Director

jb
Attachments: Original LOC's #, & # BLM fax letter
cc: Joe Kircher, USMX of Utah
Jim Crisp, Manager, Dixie RA, BLM
File #: M053005
o:\usmx-loc.let

0910

THIS DOCUMENT HAS AN ARTIFICIAL WATERMARK PRINTED ON THE BACK.
THE FRONT OF THE DOCUMENT HAS A MICRO-PRINT SIGNATURE LINE. ABSENCE OF THESE FEATURES WILL INDICATE A COPY.OFFICIAL CHECK
REMITTER**usbank®**

500 5772807

69-35/519

US BANK L/C ~~XXXX~~ A5380

PRESENT FOR PAYMENT WITHIN 6 MONTHS OF THIS DATE.

DATE MAY 21, 1978

PAY TO THE ORDER OF UTAH DIVISION OF OIL, GAS & MINING

\$129,200.00

U.S. Bank 129.200dol's00cts

NOTICE TO CUSTOMERS

As a condition to this institution's issuance of this check, purchaser agrees to provide an indemnity bond prior to the refund or replacement of this check in the event it is lost, misplaced, or stolen.

DRAWER: U.S. BANK

AUTHORIZED SIGNATURE

ISSUED BY: TRAVELERS EXPRESS COMPANY, INC.
DRAWEE: ONE VALLEY BANK, N.A. CHARLESTON, WV

ENDORSE HERE

PAY TO THE ORDER OF

FIRST SECURITY BANK OF UTAH

SALT LAKE CITY, UTAH 84111

12400012

FOR DEPOSIT ONLY

STATE OF UTAH

DEPT. OF NATURAL RESOURCES

#2000 NR OIL GAS & MINING

0690008726

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE

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0910

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500

5772808

69-35/519

**OFFICIAL CHECK
REMITTER**
usbank®

PRESENT FOR PAYMENT WITHIN 6 MONTHS OF THIS DATE.

US BANK L/C A5381

DATE MAY 21, 1998

 PAY TO THE
ORDER OF UTAH DIVISION OF OIL, GAS & MINING

\$69,300.00

U.S. Bank 69,300.00 dollars 00 cts

DRAWER: U.S. BANK

AUTHORIZED SIGNATURE

NOTICE TO CUSTOMERS

As a condition to this institution's issuance of this check, purchaser agrees to provide an indemnity bond prior to the refund or replacement of this check in the event it is lost, misplaced, or stolen.

ISSUED BY: TRAVELERS EXPRESS COMPANY, INC.
DRAWEE: ONE VALLEY BANK, N.A. CHARLESTON, WV

K02

ENDORSE HERE

 PAY TO THE ORDER OF
FIRST SECURITY BANK OF UTAH
SALT LAKE CITY, UTAH 84111
⑈ 124000012 ⑈

 FOR DEPOSIT ONLY
STATE OF UTAH

 DEPT. OF NATURAL RESOURCES
#2000 NR OIL, GAS & MINING

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